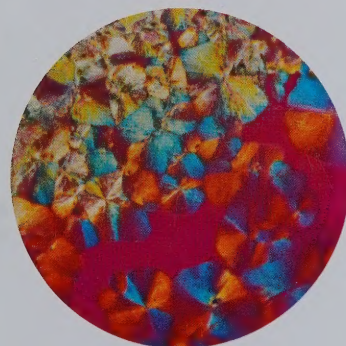
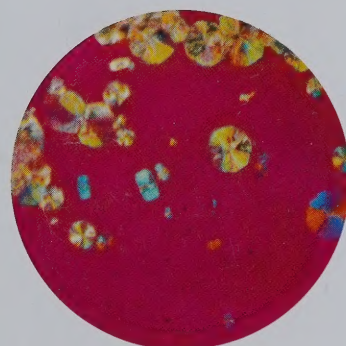




ANNUAL REPORT 1965 · POLYMER CORPORATION LIMITED





Annual Report 1965 • Polymer Corporation Limited

The year in brief

Net income increased to \$10.3 million.
 Sales, production and cash generation reached new highs.
 Recently established overseas plants making good progress.
 Dividend payments increased to \$4.5 million.
 Major styrene expansion underway.
 Significant steps taken to expand range of products.
 Good progress in development of people and ideas.

Financial highlights

Thousands of dollars

| | 1965 | 1964 |
|---------------------------------------|---------|---------|
| Net sales and other income | 117,503 | 114,291 |
| Net income | 10,303 | 9,450 |
| Dividends | 4,500 | 4,000 |
| Provision for depreciation | 8,829 | 8,929 |
| Provision for income tax | 2,584 | 4,293 |
| Working capital | 51,958 | 45,486 |
| Plant and equipment at cost | 163,008 | 156,226 |
| Capital expenditures | 8,877 | 7,810 |
| Total payroll and benefits | 25,621 | 23,575 |

Cover: The progressive crystallization of trans-polyisoprene, TRANS-PIP, is seen through a microscope.

Left: A membrane made of POLYSAR Butyl is being applied to the roof of the Company's new warehouse under construction. This membrane will provide the four-acre roof with a long lasting, waterproof covering which is light, easily repaired, and is unaffected by wide temperature variations.

Polymer Corporation Limited

Head Office : Sarnia, Canada

Directors

Fraser W. Bruce
Joseph Connolly
J. A. Hodgson
Eugene Laflamme
C. A. Massey
W. Harold Rea
E. R. Rowzee
F. H. Sherman
Ron W. Todgham

Officers

E. R. Rowzee, President and Managing Director
E. J. Buckler, Vice President
L. D. Dougan, Vice President
R. E. Hatch, Vice President
I. C. Rush, Vice President
S. Wilk, Vice President
G. Bracewell, Treasurer
W. J. Dyke, Secretary and Chief Legal Officer

Subsidiary companies

Polysar International S.A.
91, rue de Lausanne
P.O. Box
1701 Fribourg, Switzerland.

Polymer Corporation (SAF)
B.P. No. 7
La Wantzenau (Bas-Rhin), France.
Plant Site : La Wantzenau.

Polysar Nederland N.V.
Rokin 84,
Amsterdam-C
The Netherlands.

Polysar Belgium N.V.
P.O. Box 347
Antwerp, Belgium.
Plant Site : Zwijndrecht.

Participation in other companies

Hules Mexicanos S.A. (40%)
Mexico 5, D.F.

The Synthetic Rubber Company (Pty.)
Limited (20%)
South Africa.



E. R. ROWZEE, *President and Managing Director*

THE HONOURABLE C. M. DRURY,
P.C., C.B.E., D.S.O., Q.C., M.P.,
MINISTER OF INDUSTRY

Dear Sir:

On behalf of the Board of Directors of Polymer Corporation Limited, I take pleasure in submitting the Annual Report of the operations of the Company and its subsidiaries together with the Consolidated Statement of Income and Expense, the Consolidated Balance Sheet, and the Auditor's Report for the year ended December 31, 1965.

Financial review

1965 was an important year for Polymer—a year in which production, sales, net income and cash generation reached new highs and a year of consolidation of the recent capital investments to serve as a base for further development. In a climate of intense competition, sales and other income rose three percent to \$117.5 million. The new overseas plants made good progress towards the potential planned for them and

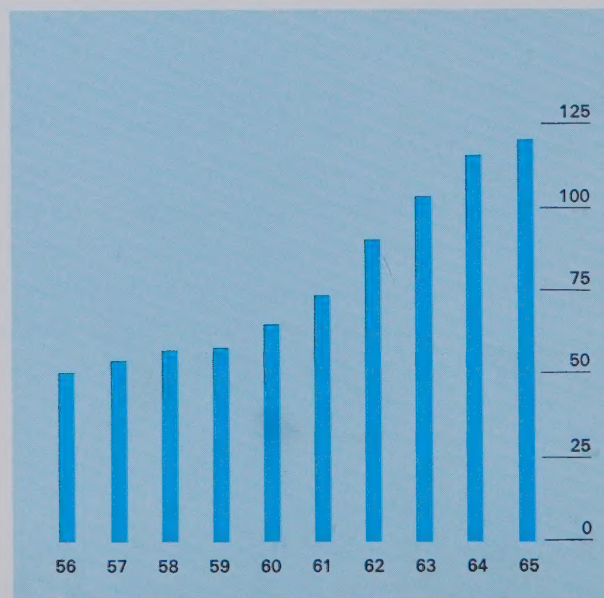
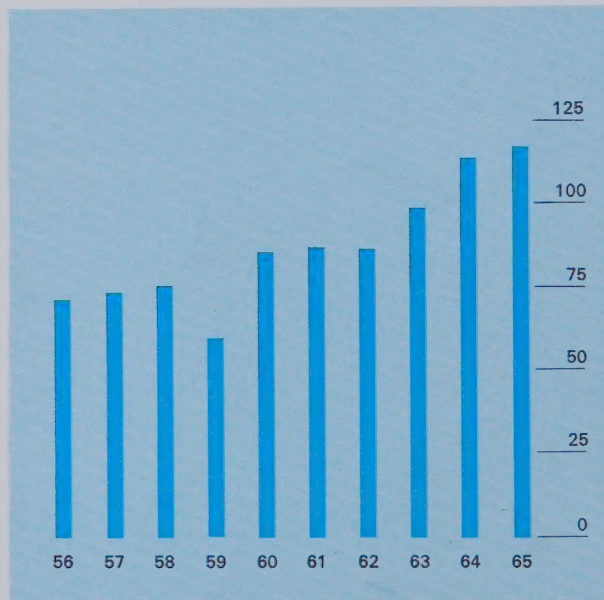
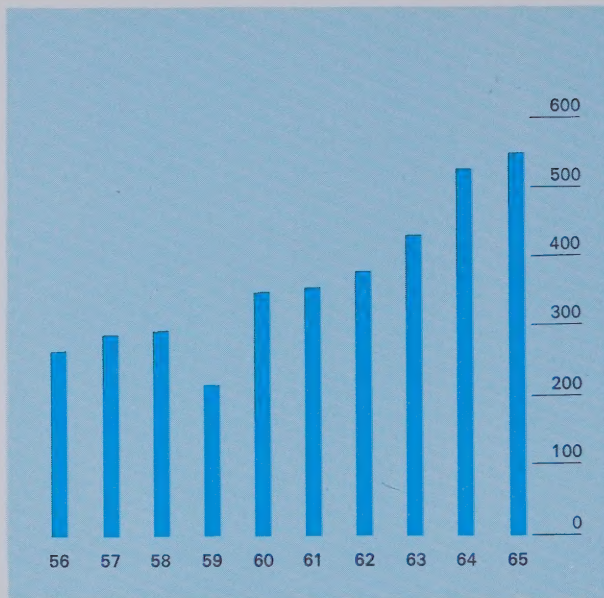
the Company embarked on a number of new ventures which are significant steps in its growth.

The net income after tax at \$10.3 million was nine percent higher than that recorded last year and slightly exceeded the previous high. Lower prices realized on the basic general purpose rubbers manufactured in the Sarnia plant gave rise to narrower profit margins and a lower profit before income tax. However, the net income after tax benefited from the significant tax incentives available in Canada arising from a substantial increase in research expenditures and the fact that the growing contribution from the overseas plants was not subject to tax because of the application of losses incurred in the initial phases of these operations.

Cash generated by operations rose to \$21.5 million, contributing to the strong financial position of the Company. Capital spending totalled \$8.9 million, including expansion and modification of various facilities, mainly in Sarnia. Inventories of finished product were increased to keep pace with the demands of today's competitive markets and to achieve optimum economic balance between inventory levels and longer production runs. Debt was reduced by more than \$4 million, while a portion of the funds generated during the year was held in short-term investments in anticipation of capital expenditures early in 1966. In addition to the regular dividends, an extra dividend of \$500,000 was paid, bringing the total for the year to \$4.5 million.

Sales and markets

Growth in world rubber consumption during the last several years has been significantly higher than the



prior long-term average. In spite of this, the rapid development of the synthetic rubber industry in many countries led to a surplus in production capacity, particularly in the general purpose grades. The resulting competition for sales caused a continuing decline in profitability of the general purpose rubbers in most of the world's markets. Our prices for general purpose rubbers in the Canadian market were reduced early in 1965.

In recent years, a continuing trend has developed toward protectionist measures in several areas of the world. These restrictions have inhibited the relatively free trade previously experienced in the industry and tend to conflict with the goal of expanded world trade which has been accepted generally by most countries of the world.

In April, 1965, the import surcharge imposed by the United Kingdom was reduced from fifteen to ten percent. It continues to exert a significant adverse effect on our business in this important market.

Despite these difficulties, the Company was able to increase its sales during the year through aggressive and imaginative marketing activity. A further increase is predicted for 1966.

The Twelfth Polysar Conference was held in Brussels, and was attended by distributors from around the world and representatives of all the Polymer group companies. The site of the conference made possible a tour of the butyl production facilities in Antwerp.

Production

In 1965, the volume of production increased to 555 million pounds, which was four percent above the previous record established in 1964. Modification and expansion in the recently established stereo rubber and ABS (acrylonitrile-butadiene-styrene resin) facilities contributed to their improved performance. The plants in Strasbourg and Antwerp made gratifying contributions to corporate results due to good production levels and their continued progress in the achievement of cost reductions. In 1965, the established plants in Sarnia continued to show performance improvement. However, the low profit margins in the general purpose rubbers indicate the necessity for further concerted effort to reduce the cost of these grades.

The prices for purchased feedstocks are of major significance in maintaining the cost of our products

competitive with those of other major world suppliers of synthetic rubbers. The Company has actively sought to lower the cost of these materials. A measure of success has been achieved and further progress is expected in the coming year.

Polymer people

In an age when industrial operations are conducted to an increasing degree in large production facilities with great financial resources, it is essential to recognize that the real key to the progress of any enterprise is the judgment and skill of its people. Polymer's future development will continue to depend on the abilities of skilled people to adapt to a rapidly changing environment.

It is becoming clear that there is, not only in Canada, but around the world, a significant gap between the number of trained people available and the number required. It is vital, therefore, to utilize the skills of all employees to the fullest extent and, at the same time, to augment and improve these skills. The Company recognizes its responsibility to encourage the self-development of individuals and has made significant progress in this respect in the past year.

An educational assistance program was introduced in 1965 which provides for financial aid to employees successfully completing approved courses outside the Company. A modern training centre was opened at mid-year to provide up-to-date facilities for the Company's expanded training programs.

During the year a number of organizational changes were made that will give many individuals the opportunity to fulfill more clearly defined responsibilities. Changes of this nature were made in the areas of Finance and Marketing and, at year-end, extensive changes in alignment of managerial responsibilities were announced in the area of Sarnia manufacturing operations.

The Company strives to maintain an environment that will promote creativity and personal growth and give Polymer employees around the world the opportunity, guidance and encouragement to develop their full capabilities.

It is with regret that I record the retirement of Mr. E. J. Brunning from the Board of Directors. Mr. Brunning served as a Director for eighteen years, was President of the Company from 1947 to 1951 and Chairman of the Board from 1951 until his retirement.

I pay tribute to his keen interest, sound judgment and wise counsel; his leadership was of great benefit to Polymer during his many years with the Company.

The Company was fortunate in obtaining the services of Mr. Fraser W. Bruce who was welcomed to the Board at the regular meeting in May to fill the vacancy created by Mr. Brunning's retirement. Mr. Bruce is President and a Director of Aluminum Company of Canada as well as serving as a director of other companies.

Research and development

Polymer is committed to a strong and orderly expansion of all aspects of its industrial research and development program. In addition to basic chemical research, activities such as the development of products, processes, end-use applications and new business ventures are now established functions in the corporate program. During the past year, all of these activities have been expanded and co-ordinated. This growth and broadened scope of the Company's corporate research and development program forms a vital part of Polymer's plan for the future.

Construction is well advanced on a \$1.5 million extension to the Company's research laboratories. Plans have been made for installation, in the coming year, of new facilities in the Marketing area to be devoted to the development of applications for existing and new products. The Business Development and Patent groups have been enlarged to take care of the growing activity in their areas. In addition, the Company's relationship with the faculties of various Canadian universities has been strengthened to promote increased co-operation and communication.

In 1965, Polymer's research program included development work in many promising fields and resulted in the introduction of a number of additions to our product line. Research in the fields of stereo polymers and isobutylene copolymers and their derivatives has yielded several promising developments of commercial significance. Process improvements in the manufacture of TRANS-PIP has resulted in widespread acceptance of this product as a replacement for natural balata.

Development work in carboxylated latices has been most beneficial in providing a base for our entry into this field. A latex for the manufacture of ABS resins was introduced to the market, and good progress was

made in the development and introduction of new ABS resin grades. In this field, the Company is expanding its product range to cover the full scope of ABS applications.

New production techniques developed during the year have resulted in significant quality improvements in the nitrile rubbers and in the introduction of a number of new types. Our continued studies of the polyacrylates have led to substantial progress in this specialized field of oil-resistant grades.

Growth

Polymer's corporate planning activities involve the participation of a large number of employees throughout the organization and provide strong direction in achieving the corporate objectives. These activities have led, in recent years, to expansion into the fields of stereo rubbers and ABS resins. The bright future anticipated for ABS is reflected in the Company's decision to triple the capacity of the present facilities during 1966. This will enable Polymer to supply the Canadian demand for some time into the future as well as provide product for export.

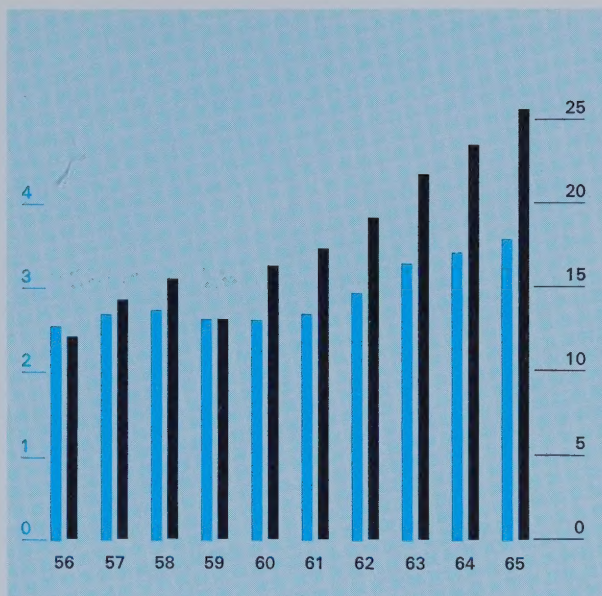
Complementing our ABS activities, and reflecting our interest in the plastics field, the decision was made to purchase, early in 1966, control of Kayson Plastics and Chemicals Limited, an all-Canadian company located in Preston, Ontario. Kayson for years has been a customer for styrene monomer and rubber for the manufacture of polystyrene plastics. In addition, through resale activities of polyethylene, polypropylene and polyvinyl chloride, Kayson has offered a broad range of plastics to its customers. The new arrangement will combine the resources of the two companies to create a strongly based supplier to the dynamic and fast-growing plastics industry.

The demand for styrene monomer has grown substantially both from Polymer's operations and from the plastics industry. The Company has started construction of a new multi-million dollar styrene plant which will incorporate significant advances in styrene production technology. The new unit, which is expected to be on stream early in 1967, will provide an increased capacity of high purity product, and will be the largest and most efficient styrene unit in Canada.

Polymer's position in the synthetic latex field has been advanced by agreements concluded with the Sinclair-Koppers Company in the United States. The

PAYROLL AND EMPLOYMENT

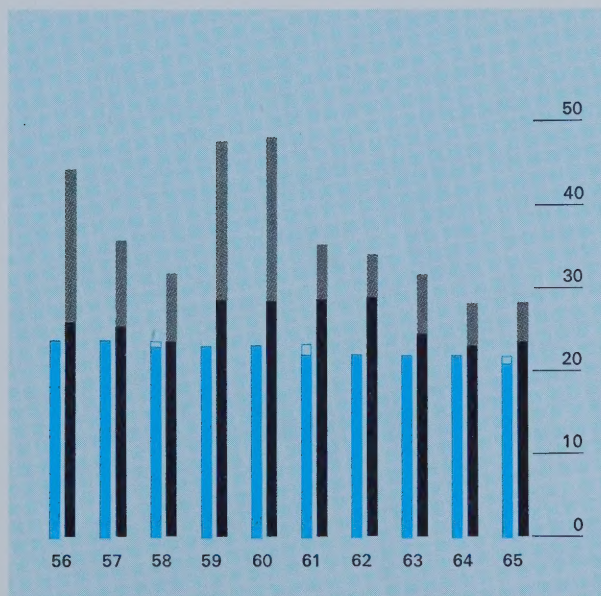
- number of employees at year end in thousands of employees
- payroll and employee benefits in millions of dollars



RUBBER PRICES

fluctuations, in cents per pound Canadian funds

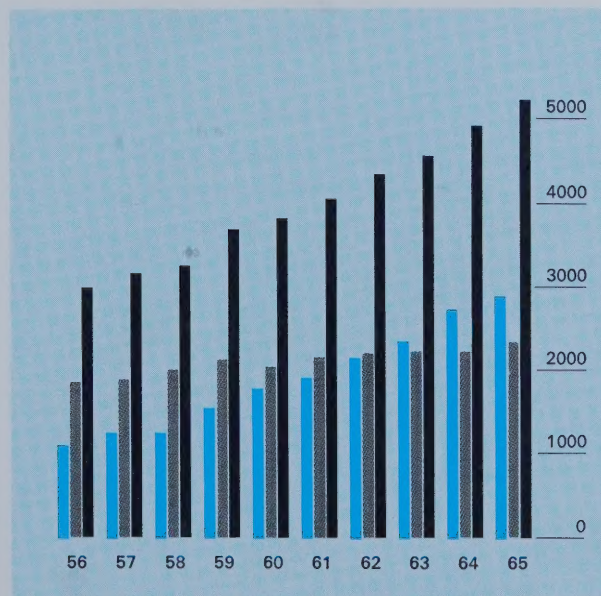
- Canadian delivered price of Polysar KRYLENE
- New York spot price of natural rubber



WORLD NEW RUBBER CONSUMPTION

thousands of long tons

- synthetic rubber
- natural rubber
- total rubber



Sinclair-Koppers range of carboxylated butadiene-styrene latices will be added to Sarnia's existing product line. In addition, a joint effort is underway in Europe to serve the growing demand in that area. Carboxylated latices are particularly suited for the rapidly growing carpet backing and textile industries as well as the production of coated paper, such as that used in this report. The tested manufacturing know-how of the Sinclair-Koppers organization will complement Polymer's technology, and future research and development work will be co-ordinated to provide maximum progress in this expanding field.

Numerous enlargements and improvements to production units were undertaken during the year, particularly in Sarnia, as well as expansion of the warehouse facilities at this plant. The Company's purchase of a tract of land adjacent to its Sarnia facilities assisted an area redevelopment scheme, while providing for future expansion.

Outlook

In the past, sharp boundaries have existed between rubbers, plastics, resins and other products. However, recent developments are erasing the traditional lines of demarcation and products are emerging which do not readily fit into the old established categories. Often they combine specific desirable characteristics of two or more of these classes of materials.

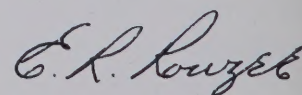
In the realm of synthetic rubbers, innovations are being made which could eventually revolutionize the rubber industry in its basic methods of fabrication as well as the products it makes. These include liquid rubbers which can be vulcanized in place, new types which do not need to be vulcanized, plastics that can

be modified to become rubber-like and other unique combinations of materials and properties.

Polymer's Corporate Plan is geared to this environment of change. Our Plan is soundly based on a strong corporate research program and the Company's world-wide production and marketing strengths. We expect to be in the forefront of developments in our expanding areas of endeavour. We look forward to continued development through innovation and further diversification of our activities. This presents a challenge to all the skill and imagination possessed by the people at Polymer.

It is a pleasure to express my appreciation to all employees for their contribution to the success of Polymer during the past year. I wish to congratulate our distributor organization on selling a record volume. I wish to thank our many customers for having purchased more Polysar products than ever before. At Polymer, it is our objective to utilize our combined ability and energy in such a manner as to merit the continued acceptance of our products in the years ahead. The challenge of growth and diversification has been accepted and we look to the future confident of Polymer's continued success.

Submitted on behalf of the Board of Directors.



President and Managing Director

Sarnia, Ontario
February 11, 1966



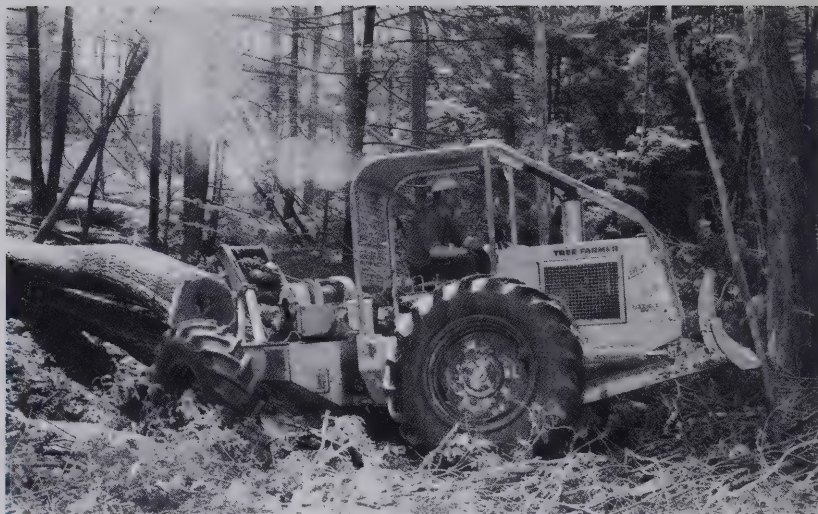
Above: The need for overhead electrical cable by a large Canadian chemical plant called for a lightweight, yet weather-resistant cable jacket. This need was met successfully with cable jacketed with KRYNAC 850, a vinyl modified nitrile rubber.

Right: Modern high-rise buildings contain large networks of electrical wiring to provide power for many purposes. Montreal's forty-five storey Place Ville Marie contains miles of electrical cable, including steel-armoured feeder cables insulated with POLYSAR Butyl and secondary cable insulated with KRYFLEX 200.



Right: The extensive on-site use of machinery has revolutionized the logging industry. The large pneumatic tires allow this skidder to travel steep slopes and muddy terrain, hauling logs to nearby roadsides.

Below: The world's fastest train commenced operation in 1965, between Osaka and Tokyo, Japan. With feeder cable insulated with Polysar Butyl, the train covers the 320 miles in just three hours at speeds up to 125 miles per hour. The concrete railway ties are cushioned with synthetic rubber rail underpads.

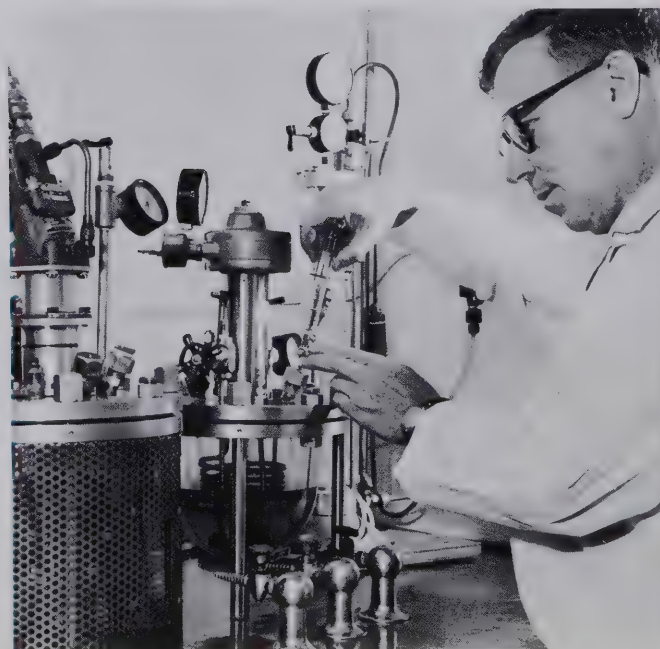
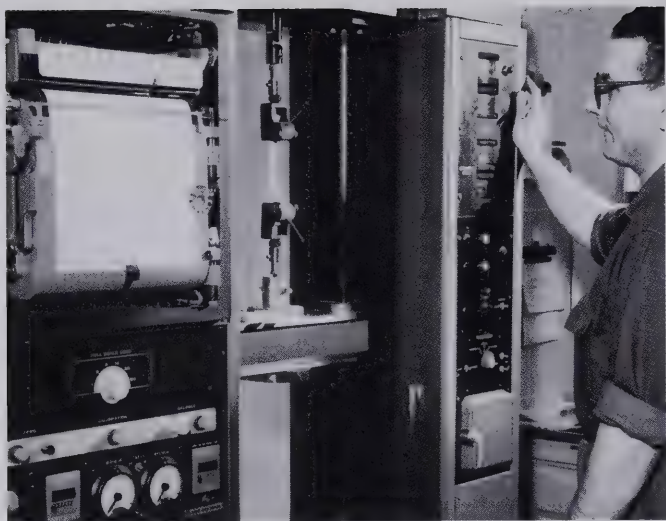




Top: Automotive butyl sealant tape, based on POLYSAR Butyl, provides an effective and easily installed weatherproof seal around the front and rear windows.

Left: ABS resins find application in the metallized portion of the armrest and in the covering for the padded dashboard.

Above: The lattice grille, manufactured of ABS, is strong, corrosion-free, and is more easily manufactured than the conventional metal product.



Top left: The physical properties of rubber are measured under a wide range of conditions simulating many end-use applications.

Top right: The laboratory duplication of the customer's manufacturing process assists in the development of improved foam latex products.

Middle: With the aid of this complex electronic apparatus, the molecular structure of polymer compounds can be deduced, thereby making a valuable contribution to the search for new and improved products.

Right: A new theory is put to the test in a small research reactor.

Consolidated statement of income and expense

for the year ended December 31, 1965

| Income | 1965 | 1964 |
|---|----------------------|---------------------|
| Net sales of products and services | \$116,709,002 | \$113,864,192 |
| Other income | 794,044 | 426,764 |
| | <u>117,503,046</u> | <u>114,290,956</u> |
| Expense | | |
| Cost of sales | 95,393,793 | 92,287,535 |
| Selling, administrative and research | 9,194,567 | 8,268,388 |
| | <u>104,588,360</u> | <u>100,555,923</u> |
| Net income before provision for income tax | 12,914,686 | 13,735,033 |
| Provision for income tax (Note 2) | 2,584,000 | 4,293,000 |
| Net income before minority shareholder interest | <u>10,330,686</u> | <u>9,442,033</u> |
| Minority shareholder's interest in subsidiary company | 28,063 | 7,583 |
| Net Income | <u>\$ 10,302,623</u> | <u>\$ 9,449,616</u> |

Consolidated statement of retained earnings

for the year ended December 31, 1965

| | 1965 | 1964 |
|--|----------------------|----------------------|
| Balance at beginning of year | \$ 60,442,003 | \$ 54,992,387 |
| Net income for the year | 10,302,623 | 9,449,616 |
| | <u>70,744,626</u> | <u>64,442,003</u> |
| Dividends declared | 4,500,000 | 4,000,000 |
| Balance at end of year | <u>\$ 66,244,626</u> | <u>\$ 60,442,003</u> |

The accompanying notes are an integral part of the financial statements.

Polymer Corporation Limited and subsidiary companies

Consolidated balance sheet

as at December 31, 1965

Assets

| Current | 1965 | 1964 |
|---|----------------------|----------------------|
| Cash | \$ 779,553 | \$ 381,704 |
| Short term investments | 2,312,407 | |
| Accounts receivable, less allowance for doubtful accounts | 42,419,627 | 42,035,333 |
| Inventories, at lower of cost or market: | | |
| Finished products | 12,603,149 | 10,772,027 |
| Prime materials and intermediate products | 5,347,769 | 5,763,556 |
| Coal | 1,809,214 | 1,722,813 |
| Operating and maintenance supplies | 6,776,865 | 6,541,249 |
| | <u>26,536,997</u> | <u>24,799,645</u> |
| Total current assets | 72,048,584 | 67,216,682 |
| Investment in other companies at cost | 4,296,840 | 2,783,630 |
| Fixed | | |
| Land, buildings and equipment at cost | 163,007,507 | 156,225,516 |
| Less accumulated depreciation | 102,844,789 | 94,355,889 |
| | <u>60,162,718</u> | <u>61,869,627</u> |
| Deferred charges | 4,842,925 | 5,881,478 |
| | <u>\$141,351,067</u> | <u>\$137,751,417</u> |

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board

E. R. Rowzee, *Director*

R. W. Todgham, *Director*

Liabilities

| Current | 1965 | 1964 |
|--|--------------|--------------|
| Short term loans | \$ 3,863,531 | \$ 6,867,469 |
| Accounts payable and accrued liabilities | 13,610,767 | 12,070,338 |
| Income and other taxes payable (Note 2) | 1,184,650 | 1,360,551 |
| Long term debt due within one year | 1,431,625 | 1,431,625 |
| Total current liabilities | 20,090,573 | 21,729,983 |
| Deferred income tax (Note 2) | 4,710,000 | 3,870,000 |
| Long term debt (Note 3) | 20,087,735 | 21,519,360 |
| Equity of minority shareholder in subsidiary company | 218,133 | 190,071 |
| | 45,106,441 | 47,309,414 |

Shareholders' equity

Capital stock :

Authorized—

3,000,000 common shares of no par value

Issued—

| | | |
|--|------------|------------|
| 2,000,000 common shares fully paid | 30,000,000 | 30,000,000 |
|--|------------|------------|

| | | |
|-----------------------------|------------|------------|
| Retained earnings | 66,244,626 | 60,442,003 |
| | 96,244,626 | 90,442,003 |

| | | |
|--|----------------------|----------------------|
| | <u>\$141,351,067</u> | <u>\$137,751,417</u> |
|--|----------------------|----------------------|

I have examined the above consolidated Balance Sheet and the related consolidated Statement of Income and Expense and have reported thereon under date of February 11, 1966 to the Minister of Industry.

A. M. Henderson
Auditor General of Canada

Notes to financial statements

1. Basis of consolidation and exchange translation

The consolidated financial statements reflect the financial position and the results of operations of Polymer Corporation Limited and its subsidiary companies, Polymer Corporation (SAF), Polysar Belgium N.V., Polysar International S.A. and Polysar Nederland N.V. Translation of accounts of subsidiary companies into Canadian dollars has been effected as follows: current assets and current liabilities at rates of exchange in effect on December 31; all other assets and liabilities at the rates prevailing when the assets were acquired or the liabilities incurred; and income and expense at average rates in effect during the year except depreciation which was translated at the rates prevailing when the expenditures on the related fixed assets were made.

2. Depreciation and income tax

Depreciation is based on the expected useful life of the companies' assets. The parent company claims the maximum capital cost allowance permitted under the Income Tax Act in calculating taxable income and as a result, \$840,000 of the provision for income tax in the current year has been carried to the "Deferred Income Tax" account on the Balance Sheet. This account will be reduced in future periods if depreciation exceeds capital cost allowances claimed for income tax purposes.

Auditor's report

Ottawa, February 11, 1966

The Honourable C. M. Drury,
Minister of Industry, Ottawa.

Sir,

I have examined the accounts and financial statements of Polymer Corporation Limited and its subsidiary companies for the year ended December 31, 1965. In compliance with the requirements of section 87 of the Financial Administration Act, I report that, in my opinion:

(a) proper books of account have been kept by the company and its subsidiaries;

(b) the financial statements of the company and its subsidiaries

(i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,

(ii) in the case of the consolidated balance sheet, give a

3. Long term debt

Polymer Corporation (SAF)

Loans outstanding total Fr. 29,100,000 (\$6,390,360) and are repayable in French francs during the years 1966-1971. With the exception of Fr. 10,955,000 (\$2,409,110), the loans are guaranteed by Polymer Corporation Limited.

Polysar Belgium N.V.

A loan of B.Fr. 450,000,000 (\$9,729,000), secured by a mortgage on land and buildings is repayable in Belgian francs during the years 1969-1977 and is guaranteed by the parent company.

Polymer Corporation Limited

A loan of U.S. \$5,000,000 (\$5,400,000) is repayable in United States dollars in equal annual instalments during the years 1969-1973.

4. Commitments

It is estimated that the company and its subsidiaries during the next year will spend \$24,935,000 on investments and for the acquisition of capital assets.

5. Supplementary information

The accounts for 1965 include the following amounts: depreciation, \$8,829,238; remuneration of directors as directors, officers, or employees, \$215,567; legal fees, \$90,140, and interest on long term debts, \$785,950.

true and fair view of the state of the affairs of the company and its subsidiaries as at the end of the financial year, and,

(iii) in the case of the consolidated statement of income and expense, give a true and fair view of the income and expense of the company and its subsidiaries for the financial year; and (c) the transactions of the company and its subsidiaries that have come under my notice have been within the powers of the company and its subsidiaries under the Financial Administration Act and any other Act applicable to the company and its subsidiaries.

Yours faithfully,

A. M. Henderson

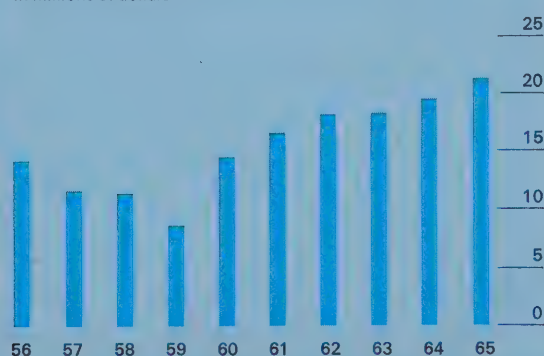
Auditor General of Canada

Consolidated statement of source and application of funds

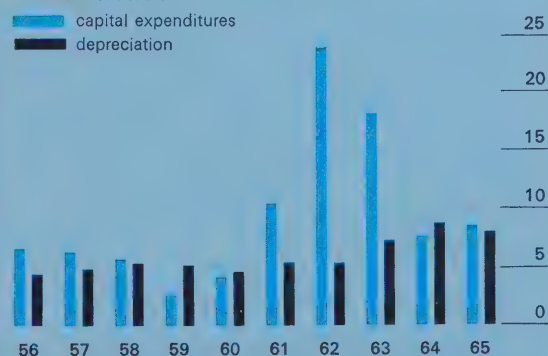
for the year ended December 31, 1965

| Source of funds | 1965 | 1964 |
|--|---------------------|---------------------|
| From operations | | |
| Net income | \$10,302,623 | \$ 9,449,616 |
| Depreciation and other items not requiring a current outlay of funds | 10,246,875 | 9,399,929 |
| Recovery of French sales taxes | 998,141 | 734,103 |
| | <u>21,547,639</u> | <u>19,583,648</u> |
| Long term loans | | 6,135,160 |
| Realized from sale of capital assets | 241,715 | 133,297 |
| | <u>21,789,354</u> | <u>25,852,105</u> |
| Application of funds | | |
| Capital expenditures | 8,877,254 | 7,810,006 |
| Deferred charges | 509,163 | 196,150 |
| Repayment of long term debt | 1,431,625 | |
| Dividends declared | 4,500,000 | 4,000,000 |
| | <u>15,318,042</u> | <u>12,006,156</u> |
| Increase in net working capital | <u>\$ 6,471,312</u> | <u>\$13,845,949</u> |

CASH GENERATION
in millions of dollars



CAPITAL EXPENDITURES AND DEPRECIATION
in millions of dollars



Financial review Thousands of Dollars

Consolidated earnings

| | 1965 | 1964 | 1963 |
|--|---------|---------|--------|
| Net sales and other income | 117,503 | 114,291 | 97,806 |
| Expenses | 104,616 | 100,548 | 83,188 |
| Income taxes | 2,584 | 4,293 | 5,480 |
| Net income | 10,303 | 9,450 | 9,138 |
| Dividends | 4,500 | 4,000 | 3,250 |
| Net income retained in the business | 5,803 | 5,450 | 5,888 |
| Cash generation | 21,547 | 19,584 | 18,142 |
| Capital expenditures | 8,877 | 7,810 | 18,267 |
| Depreciation provided | 8,829 | 8,929 | 7,341 |
| Net income % of net sales and other income | 8.8 | 8.3 | 9.3 |

Financial position

Net assets

| | | | |
|---|---------|---------|---------|
| Current assets | 72,049 | 67,216 | 58,560 |
| Current liabilities | 20,091 | 21,730 | 26,920 |
| Working capital | 51,958 | 45,486 | 31,640 |
| Plant at cost | 163,008 | 156,226 | 151,256 |
| Less accumulated depreciation | 102,845 | 94,356 | 85,570 |
| Net plant | 60,163 | 61,870 | 65,686 |
| Investment in other companies | 4,297 | 2,784 | 220 |
| Deferred charges | 4,843 | 5,881 | 6,813 |
| | 121,261 | 116,021 | 104,359 |

Financed by

| | | | |
|-----------------------------|--------|--------|--------|
| Capital stock | 30,000 | 30,000 | 30,000 |
| Retained earnings | 66,245 | 60,442 | 54,992 |
| Long term debt | 20,088 | 21,519 | 15,384 |
| Other | 4,928 | 4,060 | 3,983 |

Other data

| | | | |
|---|--------|--------|--------|
| Salaries, wages, incentive compensation and employee benefits | 25,621 | 23,575 | 21,699 |
| Number of employees at year-end | 3,605 | 3,433 | 3,310 |
| Total rubber and resin production, millions of pounds | 555 | 532 | 436 |

| 1962 | 1961 | 1960 | 1959 | 1958 | 1957 | 1956 |
|---------|---------|---------|--------|--------|--------|--------|
| 87,457 | 88,514 | 85,915 | 60,253 | 75,540 | 74,615 | 71,576 |
| 68,408 | 68,452 | 66,414 | 53,942 | 63,095 | 61,357 | 53,731 |
| 8,765 | 9,842 | 9,650 | 2,621 | 6,068 | 6,435 | 8,395 |
| 10,284 | 10,220 | 9,851 | 3,690 | 6,377 | 6,823 | 9,450 |
| 3,000 | 3,000 | 3,000 | 3,000 | 4,000 | 4,000 | 6,000 |
| 7,284 | 7,220 | 6,851 | 690 | 2,377 | 2,823 | 3,450 |
| 18,111 | 16,756 | 14,607 | 8,919 | 11,731 | 11,982 | 14,300 |
| 23,960 | 10,588 | 4,170 | 2,703 | 5,820 | 6,598 | 6,855 |
| 5,382 | 5,496 | 4,740 | 5,192 | 5,332 | 5,002 | 4,843 |
| 11.8 | 11.5 | 11.5 | 6.1 | 8.4 | 9.1 | 13.2 |
| 46,507 | 46,449 | 46,617 | 32,861 | 31,785 | 28,870 | 27,589 |
| 16,010 | 10,464 | 13,554 | 7,415 | 9,345 | 8,376 | 8,603 |
| 30,497 | 35,985 | 33,063 | 25,446 | 22,440 | 20,494 | 18,986 |
| 133,619 | 110,102 | 100,044 | 96,276 | 93,959 | 88,732 | 83,303 |
| 78,596 | 73,646 | 68,655 | 64,300 | 59,457 | 54,696 | 50,705 |
| 55,023 | 36,456 | 31,389 | 31,976 | 34,502 | 34,036 | 32,598 |
| 5,135 | 1,293 | 218 | 328 | 118 | 153 | 276 |
| 90,655 | 73,734 | 64,670 | 57,750 | 57,060 | 54,683 | 51,860 |
| 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| 49,105 | 41,820 | 34,600 | 27,750 | 27,060 | 24,683 | 21,860 |
| 7,817 | 626 | | | | | |
| 3,733 | 1,288 | 70 | | | | |
| 19,222 | 17,280 | 16,383 | 13,152 | 15,505 | 14,361 | 12,028 |
| 2,972 | 2,703 | 2,629 | 2,664 | 2,769 | 2,713 | 2,577 |
| 370 | 361 | 351 | 220 | 296 | 293 | 268 |

Polysar Products

From a producer of fifteen rubber grades in 1945, Polymer has grown to a diversified manufacturer of more than sixty grades of various rubbers and ABS resins. Products fabricated from these materials make important contributions to our growing needs in transportation, construction and leisure activities.

The familiar automobile tire still represents the largest single use of POLYSAR rubber. POLYSAR Butyl insulates cable in a host of electrical installations as well as providing a water-proof membrane for a variety of construction and agricultural applications. POLYSAR Latex provides comfortable foam cushions and an effective backing for rugs and other textiles. The versatile ABS resins house electrical appliances and constitute many of the metallized components in automobile interiors.

These are but a few of the many applications of POLYSAR products which contribute in so many ways to our daily life. Polymer now markets the following range of products:

Seven general purpose rubbers

POLYSAR S and KRYLENE types for use in mechanical goods, tires, light coloured products, footwear, belt covering, battery boxes.

Four oil extended rubbers

Cold oil extended KRYNOL grades, used for tires, camelback, moulded, extruded, and calendered goods, sporting goods, chemically blown sponge.

Six black masterbatch rubbers

Cold pigmented KRYMIX rubbers to manufacture camelback, tires, mechanical goods and general purpose moulded or extruded black products.

Four high styrene rubbers

POLYSAR SS and KRYFLEX types for use in hard, low density stocks, footwear, moulded products, floor tiles and ebonites.

Four special purpose rubbers

Low ash and cross-linked KRYFLEX and POLYSAR S-X rubbers used for wire and cable, adhesives, special compounds, and processing aids.

Thirteen oil resistant rubbers

Oil and heat resisting KRYNAC grades for gas and oil hose, oil seals, grease seals, footwear, belting, wire and cable applications, adhesives and modified plastics.

Eight butyl rubbers

POLYSAR Butyl with high impermeability to gases and vapours and excellent heat and electrical resistance for use in high voltage cable, food industry wrappers, inner-tubes, adhesives, caulks and sealants, and membranes for water-proofing applications.

Four stereo rubbers

TAKTENE for use in automotive tires, camelback, footwear, impact resistant polystyrene.

TRANS-PIP (synthetic balata) designed for golf ball covers.

Thirteen Latices

POLYSAR Latices for use in adhesives, foam rubber, tire cord dip, foam rubber lubricant carrier, textile backing, paper coating and as a base for the manufacture of ABS.

Four ABS resins

POLYSAR ABS made in a wide variety of colours for use in injection moulding and pipe extrusion, shoe heels, telephone housings, automotive parts, and drainage services.

Styrene monomer

POLYSAR Styrene Monomer for use in manufacturing polystyrene and other plastics.

POLYSAR, KRYLENE, KRYNOL, KRYMIX, KRYFLEX, SS 250, KRYNAC, TAKTENE and TRANS-PIP are registered trade marks of the Company.

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*Right: POLYSAR products travel the oceans
to customers in many lands, making the
Company one of the largest synthetic rubber
exporters in the world.*





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